



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

TRAINING

Dear Colleague Letter [ANN-15-13](#) was published by the USDE Sep. 2, 2015: Webinar Recording-Software Developers August 2015 Webinar. The webinar provides operational updates on the Common Origination and Disbursement System, the Central Processing System and the EDEExpress for Windows software. No registration is required to view this recorded training session. To access the webinar, along with presentation slides and transcript, paste the following link into your web browser and click enter:
<http://ifap.ed.gov/ifap/ifapMedia.jsp#0815SoftwareDevelopersWebinar>

Dear Colleague Letter [ANN-15-14](#) was published by the USDE Sep. 8, 2015: FSA Coach-2015-2016 Basic Training for Domestic and Foreign Schools. The first two courses of FSA Coach for 2015-2016 are now available at <http://fsatraining.info>. The FSA Coach training suite has been newly redesigned and includes introductory web-based tutorials on federal student aid program administration for both domestic and foreign schools. Instructions for accessing the training are included in the DCL.

The USDE published an [Electronic Announcement](#) Sep. 10, 2015: COD

Computer-Based Training-September 2015 Updates. Several updated modules of the COD Computer Based Training are available at the following link:
<http://ifap.ed.gov/codcbt/CODCBT.html>.

TECHNICAL

On Sep. 3, 2015, the USDE published an [Electronic Announcement](#): 2016-2017 Application Processing System Specifications for Software Developers (September 2015 Draft). The draft [Application Processing System Specifications for Software Developers](#) has been posted by Federal Student Aid for the 2016-2017 cycle. Specification testing will not be complete until Jan. 2016. Updates will be sent to software developers until that time. The specifications are available on the [Information for Financial Aid Professionals](#) Website and at <https://www.fsadownload.ed.gov>.

An [Electronic Announcement](#) was published by the USDE Sep. 8, 2015: EDEExpress for Windows 2016-2017 Packaging Technical Reference Available on FSAdownload Website. The 2016-2017 EDEExpress for Windows Packaging Technical Reference is posted at <https://www.fsadownload.ed.gov> in the "Technical References and Guides" section. Instructions and record layouts are provided in this reference for schools and



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other organizations needing to integrate their software or systems with EDExpress 2016-2017 Packaging module, which will be available in Jan. 2016.

The USDE published an [Electronic Announcement](#) Sep. 23, 2015: 2016-2017 EDE Technical Reference (Draft). The draft [2016-2017 Electronic Data Exchange Technical Reference](#) has been posted. This reference includes record layouts for schools or other organizations that need to design software systems to interface with Federal Student Aid's application processing system to enable them to process student financial aid applications. These record layouts and references are included in this draft:

- Institutional Student Information Record (ISIR) Record Layout
- ISIR Cross-Reference Table
- EDE Record Level Error Report Import Record Layout
- ISIR Record Description/Data Dictionary
- FAFSA® Application Export Record Layout
- Correction Export Record Layout
- Signature Record Export Record Layout

On Sep. 25, 2015, the USDE published an [Electronic Announcement](#): Guidance for

EDExpress 2015-2016 Direct Loan and TEACH Grant Users Following October COD System Implementation. Additional functionality was implemented for the 2015-2016 Award Year during the period Oct. 9-11, 2015. Other changes to the COD System included enhancements to enable users to submit Direct Loan and TEACH Grant actual disbursement adjustments to multiple financial and non-financial data elements in the same sequence number. The 30- Day Warning Report has also been renamed. Detailed information and instructions on how to address temporary gaps in functionality between software and the COD System are outlined in this announcement.

An [Electronic Announcement](#) was published by the USDE Sep. 29, 2015: Availability of MyStudentData Download Guide for 2016-2017 FAFSA on the Web. This guide is provided as an attachment to the announcement and is designed to assist software vendors with designing new tools for students to maximize the usefulness of the data. Students will be able to download the updated version of MyStudentData Download beginning Jan. 2016.

GAINFUL EMPLOYMENT

The USDE published an [Electronic Announcement](#) Sep. 4, 2015: Gainful Employment Electronic Announcement #60



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– GE Reporting and Resolving Incorrect Credential Level Data in NSLDS and in COD. Warning letters were sent Aug. 29, 2015, to institutions that reported at least one 2014-2015 origination record to the Common Originations and Disbursement system where the record indicated the award was for a student’s enrollment in a GE program, but the GE data was not submitted to the National Student Loan Data System by the July 31, 2015, GE reporting deadline. The USDE determined the error involved institutions submitting incorrect Program Credential Level codes when reporting to COD. The announcement outlines the reporting errors and instructs all institutions to review their COD reporting for the 2014-2015 award year, as well as those records submitted for the 2015-2016 award year. Instructions are provided for correcting Program Credential Level codes that are in error. The severity of any sanctions imposed will depend on how quickly an institution becomes compliant by properly reporting to NSLDS.

CLERY ACT

On Sep. 8, 2015, the USDE published an [Electronic Announcement](#): Compliance with the Clery Act. The USDE provides clarification on compliance with the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act in this

announcement. It has come to the USDE’s attention that certain third parties are offering “certifications” to Campus Security Authorities and other institutional officials. Certifications of compliance with the Clery Act or the Department’s implementing regulations are not required or expected of institutions. The USDE also does not give any weight to such certifications when reviewing an institution’s compliance with the Clery Act. Contact information is provided for any institutions with additional questions or concerns.

LOAN SERVICING

An [Electronic Announcement](#) was published by the USDE Sep. 10, 2015: Loan Servicing Information-Performance Results and First Period 2015-2016 Allocation Information. The USDE assigns federally-owned loans to a team of federal loan servicers semi-annually, per contractual agreement. Assignments are based on servicer performance in areas of customer satisfaction and default prevention. Servicer performance in customer satisfaction for the First Period of 2015-2016 was measured by the Department through independently administered customer satisfaction surveys conducted through June 2015. Default prevention was assessed through analysis of each servicer’s portfolio. There are five



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attachments to the announcement that provide the following information.

- [Explanation of Allocation and Performance Measure Methodology](#)
- [Quarterly Customer Service Performance Results for FedLoan Servicing \(PHEAA\), Great Lakes Educational Loan Services, Inc., Navient and Nelnet – Quarter Ending June 30, 2015](#)
- [Quarterly Performance Results Not-For-Profit \(NFP\) Members of the Federal Loan Servicer Team – Quarter Ending June 30, 2015](#)
- [Final Calculation for First 2015-2016 Allocation Period FedLoan Servicing \(PHEAA\), Great Lakes Educational Loan Services, Inc., Navient and Nelnet](#)
- [Final Calculation for First 2015-2016 Allocation Period Not-For-Profit \(NFP\) Members of Federal Loan Servicer Team](#)

On Sep. 14, 2015, the USDE published an [Electronic Announcement](#): Loan Servicing Information-Federal Loan Servicer Team Changes Update and Contact Center Support Service Status. This announcement provides information on completing the transfer of William D. Ford Federal Direct Loan Program loan accounts from Aspire to MOHELA. Transfer-related reminders are

also included, along with the phone number, website and e-mail status for Aspire.

NACIQI

The USDE issued a [Federal Register Notice](#) Sep. 11, 2015: National Advisory Committee on Institutional Quality and Integrity (NACIQI) Meeting. This notice outlines the agenda for the Dec. 16-18, 2015, meeting of the NACIQI. It also provides information to the public about submitting written comments and requests to make oral comments at the meeting. The location of the meeting will be published in the Federal Register and on the USDE's website by Nov. 13, 2015. The NACIQI will be reviewing accrediting agencies and State approval agencies for Secretarial recognition. A list of the agencies requesting recognition is provided in the Federal Register identifying the scope of recognition being requested.

FAFSA

An [Electronic Announcement](#) was published by the USDE Sep. 14, 2015: President's Announcement of FAFSA Filing Changes. Two major changes to the Free Application for Federal Student Aid were announced by President Obama. The first change involves changing the date when students and families can file the FAFSA. Starting with



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the 2017-2018 award year, FAFSA filing will begin Oct. 1, 2016. This will allow schools and states to provide financial aid information to students and families sooner. The second change will allow the use of “prior-prior year” tax information when filing the FAFSA. Applicants will use tax year 2015 income information for the 2017-2018 award year. More information will be provided in the near future regarding professional judgment decisions and other issues that are yet to be resolved in relation to these changes.

PELL GRANT

A [Federal Register Notice](#) was issued by the USDE Sep. 14, 2015: Experimental Sites Initiative: Second Chance Pell. This notice is regarding a proposed, revised and continuing collection of information regarding Pell Grants for students who are incarcerated. As part of an Experimental Site Initiative, the USDE will provide selected eligible postsecondary institutions with a waiver to the current ban on incarcerated individuals from receiving Federal Pell Grant funds for attending eligible postsecondary programs. Comments must be provided to the USDE on or before Nov. 13, 2015.

COHORT DEFAULT RATES

In Sep. there were several Electronic Announcements and a Federal Register Notice from the USDE related to cohort default rates. The announcements are listed below with links to important information, including dates to begin appeals and instructions for submitting requests for adjustments.

- [FY 2012 3-Year Official Cohort Default Rates Release Scheduled for Sep. 28, 2015 \(Sep. 15, 2015\)](#)
- [Cohort Default Rate Guide for Lenders and Guaranty Agencies \(Sep. 30, 2015\)](#)
- [FY 2012 3-Year Official Cohort Default Rates Distributed Sep. 28, 2015 \(Sep.30, 2015\)](#)
- [National Default Rate Briefings for FY 2012 3-Year Official Rates \(Sep. 30, 2015\)](#)
- [eCDR/DCAS System of Records Notice \(Sep. 21, 2015\)](#)
- [Comment Request: Data Challenges and Appeals Solution \(DCAS\) \(Sep. 22, 2015\)](#)

INTEREST RATES

On Sep. 15, 2015, the USDE published a [Federal Register Notice](#): Federal Direct



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Loan Interest Rates. This is the annual notice of interest rates for Federal Student Loans made under the Direct Loan Program prior to July 1, 2013. The interest rates provided are for the period July 1, 2015 through June 30, 2016. The attached PDF version of the Federal Register contains charts with the loan types, disbursement periods and current variable and fixed interest rates.

The USDE published another [Federal Register Notice](#) Sep. 15, 2015: Federal Family Education Loan Program Interest Rates. This is the annual notice of variable interest rates on FFELP Loans made prior to July 1, 2010. The interest rates provided are for the period July 1, 2015 through June 30, 2016. The attached PDF version of the Federal Register contains charts with the loan types, disbursement periods and current variable interest rates.

FEDERAL PERKINS LOANS

An [Electronic Announcement](#) was published by the USDE Sep. 16, 2015: Federal Perkins Loan Default Reduction Assistance Program (DRAP). There is no cost to schools that choose to participate in the DRAP. The DRAP administered by the USDE assists schools in bringing defaulted Federal Perkins Loan borrowers back into repayment before their accounts are sent to

collection agencies. A letter explaining the serious consequences of default is sent to Perkins Loan borrowers on official letterhead from the USDE. This letter encourages borrowers to contact the school to initiate repayment arrangements. Information regarding timing of requests and instructions on how to request DRAP assistance from the USDE is provided in the announcement.

On Sep. 21, 2015, the USDE published an [Electronic Announcement](#): Perkins Loan Assignment System-System Availability and User Access Process. The USDE has implemented a new Perkins Loan assignment process. This process enables schools to electronically submit Federal Perkins Loan assignment information to the USDE at <https://efpls.com>. Information is provided in the announcement on what functions can be performed and how to request access.

Dear Colleague Letter [GEN-15-19](#) was published by the USDE Sep. 29, 2015: Perkins Loan Program-Excess Liquid Capital. In this DCL, institutions that participate in the Federal Perkins Loan Program are reminded of the requirement that the Federal portion of any Excess Liquid Capital in their Perkins Loan Revolving Fund must be returned to the USDE no later than Dec. 31, 2015.



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Interactive worksheets are attached to the DCL for institutions to use in determining the Excess Liquid Capital that must be returned. “[Instructions for Returning Perkins Funds](#)” are located on the IFAP website. This statutory requirement is not directly related to the wind-down of the Perkins Loan program.

recipients participating in the TEACH Grant program will inform a study addressing the challenges regarding the implementation of TEACH Grants. Comments must be submitted on or before Nov. 24, 2015.

FOREIGN SCHOOLS

A [Foreign School Update](#) was published by the USDE Sep. 16, 2015: Foreign School Information Web Page Updates-Revised Direct Loan Processing Documents. Guidance and information for foreign schools is consolidated in one location on the [Foreign School Information Web page](#). All the Direct Loan Processing Information documents have been updated to reflect current processes.

TEACH GRANT

The USDE issued a [Federal Register Notice](#) Sep. 25, 2015: TEACH Grant Study of Institutional Practices and Recipient Outcomes. The USDE is proposing a new information collection. In response to a GAO audit addressing the high grant to loan conversion rate among TEACH Grant recipients, the USDE has requested clearance for a survey from the OMB. The survey of selected institutions and grant